



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

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January 13, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**TRANSFER OF FUNCTIONS AND PERSONNEL OF THE COUNTY OFFICE OF SMALL
BUSINESS AND THE SMALL BUSINESS COMMISSION FROM THE INTERNAL SERVICES
DEPARTMENT TO THE DEPARTMENT OF CONSUMER AFFAIRS AND APPROVE AN
APPROPRIATION ADJUSTMENT
(ALL AFFECTED) (4 VOTES)**

SUBJECT

The Interim Chief Executive Officer requests that the Board find that the recommended actions do not constitute a project under the California Environmental Quality Act; approve the transfer of the County Office of Small Business and the Small Business Commission from the Internal Services Department to the Department of Consumer Affairs; introduce the attached ordinance amending Title 2 of the Los Angeles County code to effectuate the transfer of the County Office of Small Business from the Internal Services Department to the Department of Consumer Affairs and create the Department of Consumer and Business Affairs; approve interim ordinance authority, pursuant to County Code Section 6.06.020 for 8.0 full-time permanent positions within the Department of Consumer and Business Affairs; approve an appropriation adjustment transferring \$494,000, \$356,000 in net County cost and \$138,000 in federal revenue from the Internal Services Department and Appropriations for Contingencies to the Department of Consumer and Business Affairs; and instruct the Department of Consumer and Business Affairs to report back with an ordinance related to the Small Business Commission.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions do not constitute a project under the California Environmental Quality Act;

2. Approve the transfer of the existing functions and personnel of the County Office of Small Business from the Internal Services Department to the Department of Consumer and Business Affairs, effective upon Board approval;
3. Approve the transfer of the existing functions and personnel of the Small Business Commission from the Internal Services Department to the Department of Consumer and Business Affairs, effective upon Board approval;
4. Introduce, waive reading, and place on the Board's agenda for adoption on January 20, 2015, the accompanying ordinance amending Chapters 2.62, 2.204 and 2.211 of Title 2 – Administration of the County Code necessary to implement the above recommendations. The ordinance will take effect 30 days from its adoption;
5. Approve interim ordinance authority, pursuant to County Code Section 6.06.020, for (1.0) Consumer Affairs Specialist, (1.0) Chief, Consumer Affairs Representative; (1.0) Program Manager II; (4.0) Program Manager I; and (1.0) Staff Assistant I to enable the Department of Consumer and Business Affairs to absorb the staff of the County Office of Small Business;
6. Approve the attached appropriation adjustment transferring \$494,000, \$356,000 in net County cost and \$138,000 in federal revenue from the Internal Services Department (\$267,000) and Appropriations for Contingencies (\$89,000) to the Department of Consumer and Business Affairs associated with the transfer of the County Office of Small Business and the creation of the Small Business Concierge function; and
7. Instruct the Department of Consumer and Business Affairs to report back in 90 days with an ordinance for introduction for the Small Business Commission which may incorporate existing functions and duties of the Small Business Commission, together with any redefined, restructured or new functions or duties that the Department of Consumer and Business Affairs recommends will assist the Department of Consumer and Business Affairs and the Board in achieving the objectives of promoting small businesses within the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On August 12, 2014, on a motion by Supervisors Don Knabe and Mark Ridley-Thomas, the Board instructed the Chief Executive Officer (CEO), in conjunction with the Directors of the Department of Consumer Affairs (DCA) and Internal Services Department (ISD), to report back in 90 days on the following components to support small businesses in the County: 1) Feasibility and fiscal impact of transferring the functions and personnel of the County Office of Small Business (OSB) to the DCA; 2) Evaluation of moving the Small Business Commission (Commission) under DCA or the Executive Office, including working with the Executive Officer of the Board; 3) Analysis of adding a Consumer Affairs Specialist position to DCA in the fiscal year (FY) 2014-15 Budget to function as the County's Small Business Concierge; and 4) Evaluation of alternatives for reviewing contracts from all County departments for small business procurement opportunities to ensure that maximum procurement opportunities are provided to small businesses.

The CEO convened a workgroup consisting of the affected departments to address the various issues requested by the Board. The CEO's October 30, 2014 report, outlined the workgroup's findings and recommendations which support the transfer of the OSB to DCA. In response to the CEO's report, on November 18, 2014, the Board instructed the CEO, in conjunction with DCA, to

implement the recommendations outlined in the report.

Implementation of Strategic Plan Goals

The recommended actions supports Goal 1: Operational Effectiveness and Goal 3: Integrated Services Delivery by enabling the DCA to provide responsive and quality services.

FISCAL IMPACT/FINANCING

Approval of these recommendations will result in \$494,000 in appropriation partially offset by \$138,000 in federal revenue resulting in additional net County cost in the amount of \$356,000 (\$267,000 transfer from ISD and \$89,000 from Appropriations for Contingencies), 1.0 new budgeted position within DCA, and the transfer of 7.0 positions from ISD to DCA.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 4, 1997, the OSB was established by Board order as the primary resource for small and community business enterprises to do business with the County. The OSB provides small and community business enterprises with technical assistance and information on contracting opportunities and small business programs with the County and regional cities, the State and federal government. The OSB provides a forum for small business outreach, education, and advocacy in regard to government contracting. The Board permanently transferred the OSB to ISD by Board order on January 4, 2005.

The Board created the Office of Small Business Advisory Board on June 29, 1999, pursuant to Board order to provide advice and support to the Board and to help small businesses grow and do business with Los Angeles County. In a subsequent Board order on May 22, 2001, the Office of Small Business Advisory Board was structured as the Commission and has operated as such since that date. The Commission continues to provide status reports, recommendations and support to the Board to assist small businesses grow and conduct business with the County. The Commission also provides status reports and makes recommendations to the Board on issues that affect the small business community.

On December 17, 2013, the Board instructed the CEO to develop recommendations to assist small businesses in navigating through the County's procedural requirements. The CEO's May 2, 2014 report, included recommendations to create an internal and external small business reference document, implementation of a small business web portal, and initiation of a Small Business Concierge service.

On August 12, 2014, the Board instructed the CEO, in conjunction with the Directors of DCA and ISD, to report back in 90 days on the following components to support small businesses in the County: 1) Feasibility and fiscal impact of transferring the functions and personnel of the OSB to DCA; 2) Evaluation of moving the Commission under DCA or the Executive Office, including working with the Executive Officer of the Board; 3) Analysis of adding a Consumer Affairs Specialist position to DCA in the FY 2014-15 Budget to function as the County's Small Business Concierge; and 4) Evaluation of alternatives for reviewing contracts from all County departments for small business procurement opportunities to ensure that maximum procurement opportunities are provided to small businesses.

On October 30, 2014, the CEO reported back with findings and recommendations to transfer the

OSB and the Commission from ISD to DCA, as well as create a Small Business Concierge within DCA to act as a single contact to represent the County's departments and facilitate the processing of required applications.

On November 18, 2014, the Board ordered the CEO, in conjunction with DCA, to report back with recommendations to transfer the OSB and the Commission from ISD to DCA, allocate appropriation authority and net County cost to DCA for the new position; and rename DCA to the Department of Consumer and Business Affairs (DCBA).

Pursuant to the Board's motion on November 18, 2014, the attached proposed ordinance amends Title 2 of the Los Angeles County Code to effectuate the transfer of the OSB from ISD to DCA, reflects the name change from DCA to DCBA, and identifies general and specific duties of the Director to include services provided to small businesses throughout the County and creation of the function of the Small Business Concierge.

ENVIRONMENTAL DOCUMENTATION

The recommended actions do not constitute a project under the California Environmental Quality Act (CEQA) because they involve an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines; the proposed actions are an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

While the primary function of the OSB is to connect small businesses with government contracting opportunities, the mission of DCA is to promote a fair and vibrant marketplace by serving consumers, businesses, and communities through education, advocacy, and complaint resolution. Its proactive approach to advocate for and educate consumers and businesses lends DCA as an appropriate setting for a customer service-driven concierge service that is envisioned for the OSB. As such, the County can improve services to both consumers and businesses by moving the OSB from ISD to DCA.

It is important to incorporate these new services into the name of DCA to reflect the re-branding of the Department and also to help small businesses locate their services. As a result, renaming DCA to DCBA and approval of these actions will improve the assistance the County delivers to small businesses.

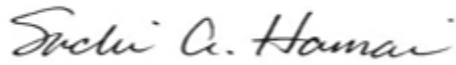
The primary function of the Commission is to provide ongoing advice and support to the Board to help businesses grow and do business with the County of Los Angeles. Specifically, the Commission is charged with making recommendations for the improvement of the County's procurement practices and to make other recommendations regarding issues that affect the business community. In the performance of this function, the Commission relies heavily on the OSB for administrative and staff support to connect small businesses with government opportunities. Based on our review, it would be in the best interest of the County to keep the Commission and the OSB under one organizational umbrella. As a result, it is recommended that the Commission be moved under DCA along with the OSB. It is also recommended that DCBA report back in 90 days with an ordinance for introduction regarding the Commission, which may incorporate existing functions or duties of the Commission, together with any redefined, restructured or new functions or duties that

DCBA recommends will assist the DCBA and the Board in achieving the objectives of promoting small businesses within the County.

Currently there is insufficient office space within DCBA to accommodate the staff and functions of the OSB. The CEO will work with DCBA to identify new options for housing the OSB. However, until such time that additional space can be identified, the OSB will remain housed at ISD headquarters.

Consistent with standard operating procedures, the CEO will work through the Audit Committee to incorporate changes to the affected policies of the Board of Supervisors Policy Manual.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachin A. Hamai".

SACHI A. HAMAI

Interim Chief Executive Officer

SAH:BC:SHK

GS:BM:cg

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Consumer Affairs
Internal Services Department

ANALYSIS

This ordinance amends Title 2 – Administration of the Los Angeles County Code
by:

- Amending the Chapter 2.62 title and Sections 2.62.010 and 2.62.020 to reflect the name change of the Department of Consumer Affairs to the Department of Consumer and Business Affairs;
- Adding Section 2.62.025 to specify the general powers and duties of the Director of the Department of Consumer and Business Affairs ("Director");
- Amending Section 2.62.030 to specify additional duties of the Director;
- Amending Section 2.204.050 to transfer the verification and certification of local small businesses to the Department of Consumer and Business Affairs;
- Amending Section 2.204.080 to include the Department of Consumer and Business Affairs in the notification requirements of a small business change in status; and
- Amending Sections 2.204.090 and 2.211.090 to allow the Department of Consumer and Business Affairs to investigate complaints of eligibility received by the County concerning the existing Local Business Enterprise and Disabled Veteran Business Enterprise Preference Programs.

MARK J. SALADINO
County Counsel

By


EMILY D. ISSA
Senior Associate County Counsel
Government Services Division

EDI:mv

11/26/14 (Requested)
12/5/14 (Revised)

ORDINANCE NO. _____

An ordinance amending Title 2 – Administration of the Los Angeles County Code, relating to the name change of the Department of Consumer Affairs to the Department of Consumer and Business Affairs, and adding and changing the powers and duties of the Director of the Department of Consumer and Business Affairs.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. The title of Chapter 2.62 is hereby amended to read as follows:

Chapter 2.62 - DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

SECTION 2. Section 2.62.010 is hereby amended to read as follows:

2.62.010 Director—Position eCreated.

The position of dDirector of the dDepartment of eConsumer and Business aAffairs is created. Hereafter in this chapter the dDirector of the dDepartment of eConsumer and Business aAffairs will be referred to as "dDirector."

SECTION 3. Section 2.62.020 is hereby amended to read as follows:

2.62.020 Department eCreated—Director aAuthority.

The dDirector is the head of the dDepartment of eConsumer and Business aAffairs, which dDepartment is created.

SECTION 4. Section 2.62.025 is hereby added to read as follows:

2.62.025 Director—Powers and Duties Generally.

The Director shall perform those general duties as are prescribed by this code and other applicable laws or as directed by the Board of Supervisors regarding consumer and business affairs.

SECTION 5. Section 2.62.030 is hereby amended to read as follows:

2.62.030 Director—~~Powers and~~Additional dDuties.

In addition to the duties generally prescribed by Section 2.62.025, the additional duties of ~~T~~the ~~d~~Director shall include:

- A. Receive and respond to telephone, written or walk-in inquiries and complaints related to consumer and business affairs;
- B. Conduct field investigations and prepare referrals to enforcement agencies, as necessary, to resolve consumer and/or business complaints regarding allegations of business violations;
- C. Inform consumers and ~~merchants~~ businesses on applicable ~~consumer~~ affairs regulations and the public and private agency as well as additional resources available to them;
- D. Conduct consumer/~~merchant~~ business mediation sessions regarding a variety of disputes including, but not limited to, quality of service, billing, and other issues arising between consumers and businesses;
- E. Coordinate referrals and relationships with other public and private agencies which offer consumer and business related services;
- F. Represent the County and the Department in speaking engagements and media contact on issues regarding consumer and business ~~affairs~~ issues;
- G. At the direction of the Board, represent the County at legislative hearings and inquiries concerning consumer and business affairs;

H. Conduct public ~~hearings~~ forums concerning consumer and business affairs ~~problems~~ when necessary;

I. Provide consumer education material to the public;

J. Initiate studies which will improve the standards of conduct for business and consumers;

K. Provide small and community business enterprises with technical assistance and information on contracting opportunities and small business programs with the County, regional cities, and the State and federal governments;

L. Provide a forum for small business outreach, education, and advocacy in regard to government contracting;

M. Provide assistance to small businesses in navigating the County's permitting and procedural requirements to start a new business;

N. Compile data and statistics from County agencies to evaluate the effectiveness of County programs and Board policies relating to small businesses.

SECTION 6. Section 2.204.050 is hereby amended to read as follows:

2.204.050 Certification as a local small business enterprise.

~~ISD~~The Department of Consumer and Business Affairs shall be responsible for verifying that a local small business is already certified as a small business by the ~~s~~State of California and that the business has its principal office located in Los Angeles County. ~~ISD~~The Department of Consumer and Business Affairs shall certify local small business enterprises and maintain records of the certified businesses and their participation in County purchasing and contracting.

SECTION 7. Section 2.204.080 is hereby amended to read as follows:

2.204.080 Violations and ~~s~~Sanctions.

...

C. No person or business shall willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a ~~e~~County official or employee for the purpose of influencing the certification or denial of certification of any entity as a local small business enterprise.

D. A business which has obtained certification as a local small business enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded a contract to which it would not otherwise have been entitled, shall:

1. Pay to the County any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision 1 of subsection D of this ~~s~~Section, be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the contract involved; and

3. Be subject to the provisions of Chapter 2.202 of the County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

E. The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no

longer be eligible for certification, and fails to notify the ~~s~~State, Department of Consumer and Business Affairs and ISD of this information prior to responding to a solicitation or accepting a contract award.

SECTION 8. Section 2.204.090 is hereby amended to read as follows:

2.204.090 Appeals for reconsideration of local small business enterprise certification.

~~ISD~~The Department of Consumer and Business Affairs will investigate any complaint of eligibility received by the County concerning the local small business enterprise preference program.

SECTION 9. Section 2.211.090 is hereby amended to read as follows:

2.211.090 Review of eligibility of disabled veteran business enterprise certification.

~~ISD~~The Department of Consumer and Business Affairs will investigate any complaint of eligibility received by the County concerning the Disabled Veteran Business Enterprise Preference Program.

January 13, 2015

DEPT NO: 060

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICER

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2014-15****4 - VOTES****SOURCES****USES****INTERNAL SERVICES**

A01-IS-1000-13100

SALARIES & EMPLOYEE BENEFITS

DECREASE APPROPRIATION**267,000****CONSUMER AFFAIRS**

A01-CA-1000-19100

SALARIES & EMPLOYEE BENEFITS

INCREASE APPROPRIATION**387,000****CONSUMER AFFAIRS**

A01-CA-92-9109-19100

MISCELLANEOUS

INCREASE REVENUE**138,000****CONSUMER AFFAIRS**

A01-CA-2000-19100

SERVICES & SUPPLIES

INCREASE APPROPRIATION**107,000****GENERAL FUND**

A01-3303

APPROPRIATIONS FOR CONTINGENCIES

DECREASE APPROPRIATION**89,000****SOURCES TOTAL****494,000****USES TOTAL****494,000****JUSTIFICATION**

Reflects the transfer of functions and personnel from the Internal Services Department to the Department of Consumer Affairs.


 AUTHORIZED SIGNATURE TRACEY JUE, MANAGER CEO

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

 REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR---
☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

BY

B.A. NO. 078

DATE


Dec. 30, 2014

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

DATE


 12/30/14

SEND 3 COPIES TO THE AUDITOR-CONTROLLER